



7 October 2022

Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: FAR@treasury.gov.au

Dear Sir/Madam

Financial Accountability Regime Minister Rules

The Australian Financial Markets Association (AFMA) welcomes the opportunity to comment on the Financial Accountability Regime Minister Rules.

We note that the Minister Rules prescribe for foreign accountable entities, the roles of the Senior Executive responsible for the conduct of the branch in Australia, and the Senior Officer Outside of Australia (SOOA). AFMA seeks clarification on whether these entities are required to address the additional responsibilities prescribed for the (local) accountable entities in their Accountability Statements or Accountability Map consistent with BEAR; despite these responsibilities (except for (a)(i) business activities) not requiring separate senior executives be appointed as Accountable Persons for foreign accountable entities?

AFMA seeks confirmation also that subsidiaries of Foreign Accountable entities ("Significant Related Entities (SRE)") are excluded under FAR as was the case under BEAR. The current drafting might be seen on one view as capturing these entities, although we are of the understanding this might not be the intention and instead that operation was planned to be as per BEAR.

AFMA again notes that the commencement date of 6 months from Royal Assent is too tight for implementation. These firms are already covered by BEAR which is providing similar accountability. Until the Bill passes Parliament, there remains uncertainty around the final form of the requirements. For a program of this size 12 to 18 months is appropriate.

We would be pleased to provide more information around these matters if required.

Yours sincerely

A handwritten signature in grey ink that reads "Damian Jeffree". The signature is written in a cursive style with a large initial 'D' and a long, sweeping underline.

Damian Jeffree
Senior Director of Policy